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Defense
Intelligence Estimate:
PRC Defense
Modernization
in the 1980s (U)

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DEFENSE INTELLIGENCE ESTIMATE

中国国防现代化

***PRC Defense Modernization
in the 1980s***

DDE-2200-95-81

This estimate has been coordinated with the Assistant Chief of Staff for Intelligence, Department of the Army; The Director of Naval Intelligence, Department of the Navy; The Assistant Chief of Staff, Intelligence, Department of the Air Force; and The Director of Intelligence, United States Marine Corps. All concur in the estimate as written.

APPROVED BY:



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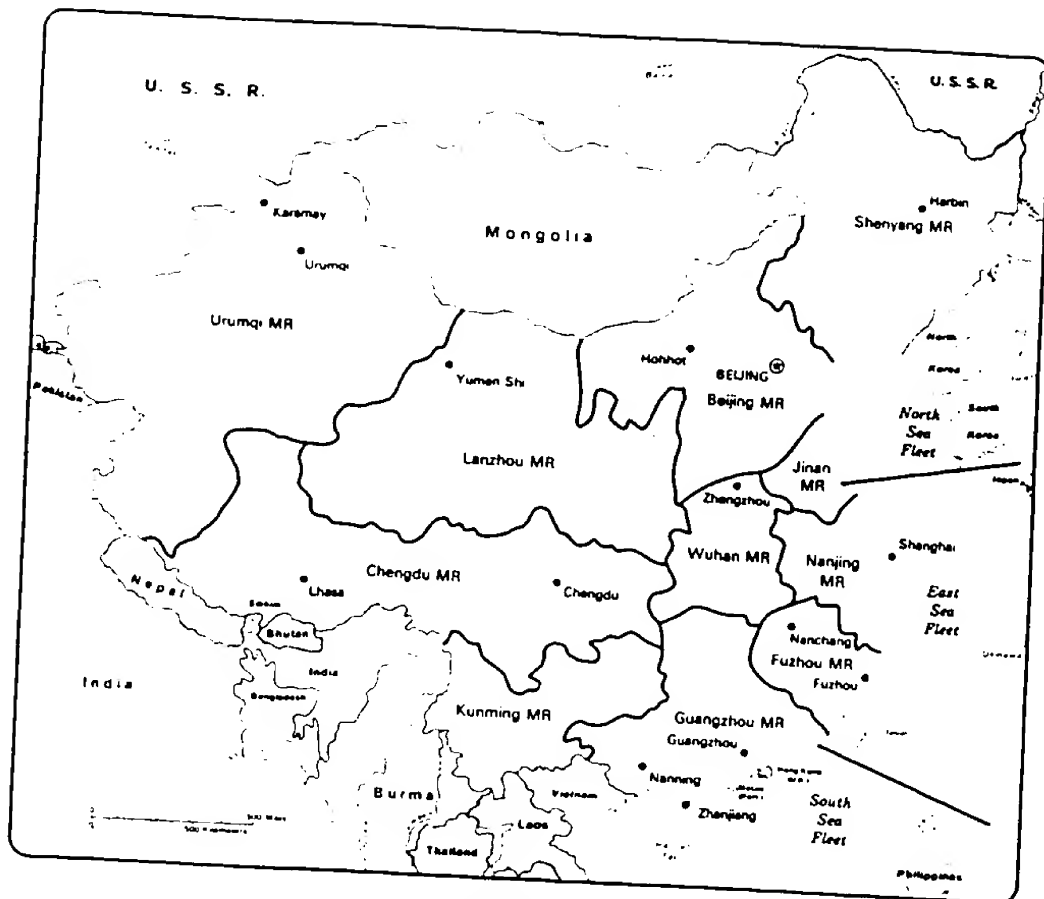
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(U) People's Republic of China

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SCOPE NOTE

~~(S)~~ This estimate projects developments in PRC defense modernization in the 1980s. It assesses the cumulative impact of numerous independent variables affecting Chinese force development, forecasts weapon systems development and force structure changes, and discusses the implications of these developments. It is intended to provide an overview of Chinese defense modernization developments expected in the coming decade and contains the key judgments developed in the People's Republic of China (PRC) Defense Intelligence Projections for Planning (DIPP) series of publications produced by the Directorate for Estimates, DIA.

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This estimate is a cooperative effort by the China Force Developments Team,* China/Far East Division, Directorate for Estimates, DIA. Comment or questions should be referred to [REDACTED] the action officer responsible for coordination of this estimate, at [REDACTED]

*China Force Developments Team:



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EXECUTIVE SUMMARY

a. (U) The "Four Modernizations" program continues as the primary framework within which PRC military force development is pursued. While differences exist among Chinese leaders over the best approach to this program, current modernization policies seem to enjoy popular support and have generated a new momentum and sense of direction in China.

b. ~~(S)~~ The key element of current modernization policy is, and will continue to be, broad-based economic development. During the period of this estimate, Beijing will be unable to develop simultaneously a firm industrial and technological base, rapidly modernize its military forces, and satisfy the increasing demands of the populace for improved living conditions. There is a leadership consensus that development of the nation's economic base is China's most pressing need. Construction of a stable political and economic foundation is viewed as a near-term necessity if meaningful defense modernization is to be sustained over the long term. Defense modernization programs, therefore, rank relatively low in the "Four Modernizations." China's economic and military development in the 1980s will continue to be a slow process.

c. ~~(S)~~ During the 1980s, Beijing will be faced with securing the external resources necessary for its development while avoiding military conflict and resisting foreign influence over its affairs. Any protracted military conflict would not only threaten its national security, but also the Four Modernizations, and possibly its developing ties with the West. Beijing will likely, therefore, continue to place heavy reliance on a broad range of relationships with the West, Japan, and the less developed countries to counter Soviet actions inimical to Chinese interests and to obtain assistance for its modernization efforts.

d. ~~(S)~~ Beijing appears to have evolved a defense modernization policy for the 1980s which stresses economic development, deliberate improvement emphasizing qualitative over quantitative gains, acquisition of Western technology, limited import of foreign weapon systems and military equipment, professionalization of the military through training and education, and modernization of military doctrine and strategy.

e. ~~(S)~~ China's main adversary, the Soviet Union, will continue to hold a commanding lead over China in all aspects of military power, with the exception of personnel strength. Nevertheless, the improvements we forecast for Chinese forces will enhance Beijing's ability to deter Soviet aggression, defend against a Soviet attack, project forces into South and Southeast Asia border regions, and raise foreign perceptions of Chinese military capabilities.

f. ~~(S)~~ Projected improvements for the PLA during the 1980s will not significantly alter China's ability to extend its influence in the region through the use of military force alone. China's ability to conduct large-scale, out-of-country combat operations in noncontiguous areas will remain severely restricted by insufficient strategic mobility, logistical deficiencies, and equipment weaknesses. Conventional PLA forces will pose no serious threat to Japan or India. China will possess moderately improved capabilities for the invasion of Taiwan, and will increase its capability to move major forces into the Korean Peninsula, Vietnam, and Laos.

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8. 45) During the 1980s, China's ability to influence global interactions will continue to be based largely on political and psychological factors and on foreign perception of its military potential. The potential for China to serve as a "second front" in the event of a major conventional conflict between the USSR and the West and China's growing nuclear capabilities will insure continued interest by each superpower in Beijing's policy toward the other. Through careful management of these relationships, Beijing will seek to minimize the risk of Soviet attack while securing Western and Japanese assistance for its comprehensive modernization programs.

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DISCUSSION

POLITICAL

1. ~~let~~ The "Four Modernizations"* program continues as the primary framework within which PRC military force development is pursued. The modernization policies of the Chinese collective leadership seem to enjoy popular support and have generated a new momentum and sense of direction in China. At the same time, however, differences continue to exist among top leaders over the best approach to modernization. In addition, implementation of China's new policies requires the revitalization of party and state bureaucracies still recovering from a prolonged period of strife. Perhaps most important, because of the advanced age of most of China's top leaders, a new leadership generation will begin to come to power around the mid-1980s.

2. (U) Certain characteristics of the post-Mao leadership have important implications for China's present and future modernization policies. The instability and upheaval of the Cultural Revolution and its aftermath have instilled in many veteran Chinese leaders a tendency toward a conservative and pragmatic leadership style. Since Mao's death and the purge of the Gang of Four, many of the veteran cadre and bureaucrats have been rehabilitated and promoted to key government, party, and military posts. Under the leadership of Deng Xiaoping they have exhibited great willingness to seek knowledge and assistance from foreign sources, especially from the West, and have come to be characterized as "pragmatic modernizers" by Western observers. Their outlook and leadership

style, unprecedented since at least the early 1960s, will affect decisionmaking on a broad range of issues for years to come. As a result, the political, economic, and foreign policies now being implemented by Beijing will, if successful, continue to reinforce the tendency toward pragmatism.

ECONOMIC DEVELOPMENT

3. ~~let~~ The key element of current modernization policy is, and will continue to be, development of China's economic infrastructure. Although China's economy offers potential strength, Chinese leaders are faced with major challenges. China's attainment of many of its fundamental goals—such as increased security through more capable military forces—will in large measure be determined by the ability of the leaders in Beijing to balance competing civil and military demands for scarce resources. During the period of this estimate, Beijing will be unable to simultaneously develop a firm industrial and technological base, rapidly modernize its military forces, and satisfy the increasing demands of the populace for improved living conditions. Military modernization and improvement, therefore, because of its relatively low priority, will be constrained more by the limited availability of resources than by any other single factor.

4. ~~let~~ There is a broad leadership consensus that development of the nation's industrial and scientific bases is China's most pressing need. Construction of a solid economic foundation is viewed as a near-term necessity if meaningful defense modernization is to be sustained over the long term. Defense programs, therefore, rank relatively low in priority behind agriculture, industry, and science and

* As enunciated by Zhou Enlai in 1975, the Four Modernizations are: Agriculture, Industry, National Defense, and Science and Technology.

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(U) Deng Xiaoping

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technology in the "Four Modernizations" program. This low priority is unlikely to change before fundamental weaknesses in the structure and performance of China's economy have been overcome or unless a significant change in Beijing's threat perception occurs.

5. (U) Recurrent difficulties in redressing these weaknesses, however, indicate that China's economic growth during the 1980s, despite increased Western and Japanese input, will continue to be a slow process. In recent years, Beijing has made progressive downward adjustments to specific economic goals, target dates, and expectations. A 3-year policy of readjustment, announced in 1979, continues to guide economic plans at least through 1981. It aims at restoring equilibrium among industries, and places increased emphasis on agriculture and light industry. Its implementation has resulted in the delay or elimination of many development projects originally scheduled for initiation or completion by 1985, and has made plans beyond 1990 even more vague.

6. ~~SECRET~~ Moreover, China's scientific, technical, and educational systems, essential to both economic and military advancement, were seriously disrupted during the past decade and a half and will require considerable time to recover. Beijing's modernization process requires large-scale injection of greater technical and managerial expertise into party, state, and military institutions. Furthermore, delegation of authority to competent administrators for the exercise of initiative must be enhanced. The policy changes being made to fulfill these needs frequently are in conflict with a concurrent requirement to maintain discipline, unity, and stability. Various sectors of the economy are feeling the effect of the shortage of trained personnel in operations and production and, perhaps more critically, in coordinating plans for future development.

FOREIGN POLICY

7. ~~SECRET~~ Chinese foreign policy has been increasingly fashioned in recent years to support the accomplishment of domestic economic and political goals. Increased flexibility in its foreign affairs, both political and economic, reflects a clear recognition of the need for cooperation with the West and large-scale foreign participation in China's varied development programs. Thus, while Beijing develops the economic and military power it believes necessary to secure its national interests, it relies heavily on its foreign policy to counter external threats and obtain foreign assistance. Beijing's increased flexibility in foreign affairs since 1972 has permitted it to play a more important and expanding role in world affairs. The move toward closer ties with the West, however, has been accompanied by aggravated Sino-Soviet and Sino-Vietnamese hostility. Beijing's conclusion of a peace treaty with Japan, normalization of relations with the United States, and increasing political and economic dealings with Europe, Japan, and the United States have all served notice to Moscow of Beijing's determination to pursue its interests aggressively even at the expense of a reduced chance for some form of Sino-Soviet detente.

8. ~~SECRET~~ During the 1980s, Beijing will be faced with securing the external resources necessary for its development while avoiding military conflict and resisting foreign influence over its affairs. Any protracted military conflict would not only threaten its national security, but also the Four Modernizations, and possibly its developing ties with the West. Beijing will likely, therefore, continue to place heavy reliance on a broad range of relationships with the West to counter Soviet actions inimical to Chinese interests and to obtain assistance for its modernization efforts. Moreover, China will continue to seek close relations with Japan, the

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Association of Southeast Asian Nations, and the less developed countries of the world.

9. ~~(S)~~ There is little prospect for a dramatic change over the next 10 years in China's current policy toward the Soviet Union. Beijing assesses Soviet worldwide goals and Moscow's distrust for China as unlikely to change fundamentally during the decade. Competition with the Soviets for influence throughout Asia and interaction with the West will continue to impede a fundamental improvement in the Sino-Soviet relationship.*

DEFENSE POLICY

10. ~~(S)~~ China's leaders recognize the linkage between meaningful improvement in its Armed Forces and achievement of its political, economic, and foreign policy goals. Beijing sees the successful implementation of its domestic and foreign policies as a necessary investment in the nation's long-term security—an investment which will permit the evolution of more sophisticated military forces during the remainder of the century.

11. ~~(S)~~ The People's Liberation Army (PLA) has been engaged in "modernization" to a greater or lesser extent since its establishment and has achieved an impressive defensive capability based on maximizing quantitative and geographic advantages. Chinese leaders realize, however, that the PLA does not possess the weapons technology nor overall combat effectiveness of a modern-day fighting force. Given its slow rate and erratic

manner of development during the 1960s and 1970s, the danger of falling even farther behind the forces of the technologically advanced states became increasingly clear. Consequently, in about 1975 China began to formulate long-term plans designed to develop a modern military force more appropriate to the threat it will face in the future. It did not require the Chinese actions against Vietnam in February 1979 to prove to Beijing the need for modernization of China's Armed Forces. Although Beijing's evaluation of the PLA's performance against Vietnamese forces probably provided greater impetus to this process, Beijing remains oriented toward long-term modernization as opposed to a "quick-fix" solution.

12. ~~(S)~~ Beijing appears to have evolved a defense modernization policy for the 1980s, which contains the following key elements:**

- Development of a broad economic and industrial base.
- Deliberate improvement of military capabilities stressing quality over quantitative improvements.
- Acquisition of Western technology.
- Limited import of foreign weapon systems and military equipment.
- Modernization of doctrine and strategy.
- Professionalization of the military through modern training and education.

* For further discussion of Sino-Soviet relations in the 1980s, see Defense Intelligence Estimate Memorandum (DIEM), The Impact of China's Modernization on Soviet Perceptions and Policy (U), DDE-2200-72-80, February 1980.

** Intelligence community judgments on China's Defense Policy for the 1980s are contained in National Intelligence Estimate (NIE) 13-4-80, China's Defense Policy and Armed Forces (S), 9 September 1980.

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Although Beijing actively seeks foreign military technology and weapons, the acquisition of the more expensive and advanced systems will necessarily be limited by constraints on capital resources, and its policy preference for indigenous production. Beijing's restraint also reflects its assessment of the pace at which the Chinese can proceed with military modernization in the face of resource constraints. Any Chinese weapon purchases, therefore, will likely be for the purpose of technology acquisition rather than to satisfy a PLA-wide weapon systems requirement. Selective purchases of foreign weapons and military technology, combined with indigenous development and production and improved, more modern training, will likely account for only modest improvements in PLA capabilities over the next 10 years. Initially, China will emphasize low cost measures to improve its military capabilities, such as upgrading the quality of organizational and individual training. Enhancing unit proficiency is a necessary prerequisite to the introduction of more modern weapons later in the decade. This training will deemphasize political training and will stress the development of skills designed to upgrade combat effectiveness.

13. ~~18~~ The modernization of Chinese military doctrine and strategy is a major

part of China's overall military modernization effort. Chinese leaders acknowledge the present shortcomings in this area and the need to develop more modern doctrine and strategy to meet the threats they will face in the 1980s. It will take considerable time before new concepts can be absorbed and new defense modernization plans can be implemented. It is likely, therefore, that there will be little change in present doctrine and strategic concepts over the next 3 to 5 years. With regards to the Soviet Union, China's conventional land defense strategy will continue to reflect its basic reliance on "People's War" and "Luring Deep."* Emphasis on "War under modern conditions," as enunciated by Minister of Defense Xu Xiangqian in 1979, gives only a vague indication of the direction of Chinese thinking for future doctrine and strategy. Chinese doctrine and strategy beyond the mid-1980s can be expected to reflect improvements in Chinese force capabilities.

* *For a detailed analysis of China's land defense strategy see Defense Intelligence Report, Luring Deep: China's Land Defense Strategy (U), DDB-2610-31-80, September 1980.*

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KEY PROJECTIONS

GROUND FORCES

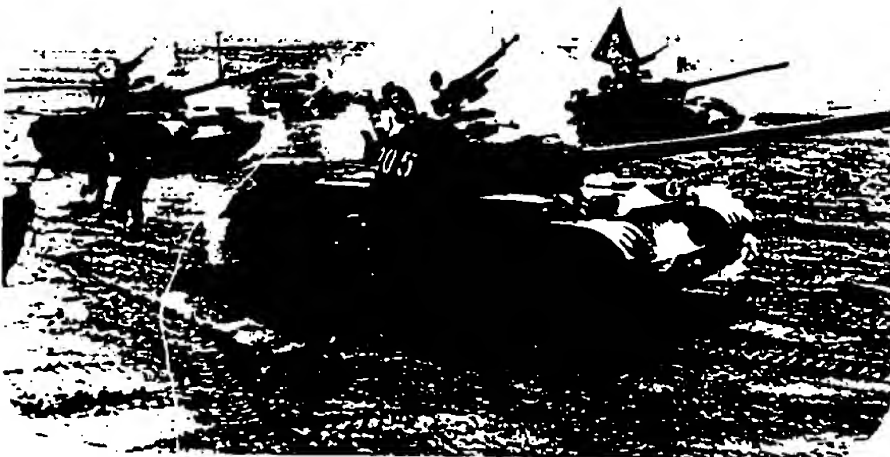
14. ~~(S)~~ The ground force element of the PLA, with some 271* divisions and 311 independent regiments, is the largest force of its kind in the world and accounts for about 80 percent of total PLA personnel. Major weaknesses of the ground forces are poor strategic and tactical mobility, limited organic air defense, poor logistical capabilities for out-of-country operations, and insufficient numbers of modern, sophisticated weapons. Nevertheless, good defensible terrain, excellent deployment patterns and force mixes, and large numbers of available troops somewhat offset these limitations. Ground

* *Includes combat support, and combat service support divisions not normally included in the order of battle statistics for other nations.*

units can successfully defend China's borders against any invasion from a bordering nation with the exception of the Soviet Union. In order to improve its overall force capabilities and reduce the disparity between Chinese and Soviet forces, Chinese modernization efforts for the ground forces have been directed primarily toward improvement of armor, antiarmor, and air defense equipment and capabilities.

15. ~~(S)~~ Most notable developments over the past decade have been the widespread expansion of the armor element—within those infantry divisions assigned armor—to a full tank regiment and increases in heavy weapons firepower at nearly all combat echelons. Such improvements have become China-wide in recent years. China's main battle tank, the Type 59, lacks many features and capabilities fast

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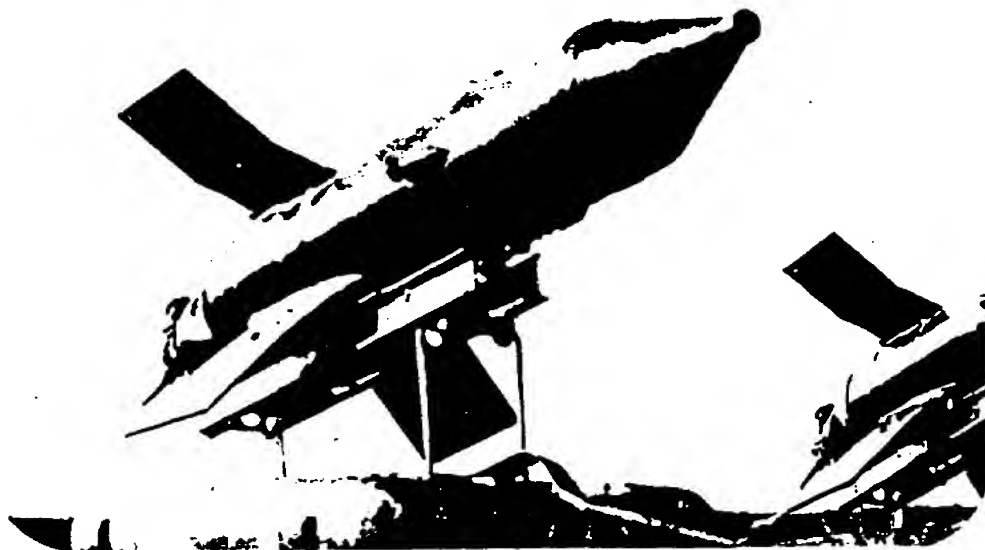


(U) China's T-59 Main Battle Tank

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(U) Chinese SAGGER-Type ATGM

becoming standard in modern tanks, but will remain relatively effective until the Soviets deploy substantial numbers of the T-64/T-72 or newer tanks into the Far East. The Chinese are developing a follow-on medium tank, which we expect will feature a fully stabilized smoothbore 105-mm to 120-mm gun. It may also contain an engine of increased horsepower, an improved transmission, infrared night-sighting devices, a laser rangefinder for the main gun, and improved armor. This tank, which we expect to appear in armored units in the mid-1980s, is unlikely to enter the inventory in large numbers until the end of the decade. It will, however, remain inferior to the latest Soviet main battle tank.

16. ~~48~~ Although numerous antitank weapons similar to the Soviet RPG-7 provide the Chinese infantryman with some close-in antiarmor capability, they lack any effective capability at distances beyond about 800 meters. The Chinese

themselves recognize that an antitank guided-missile (ATGM) capability is needed to meet an armor attack out to distances of several thousand meters. A first-generation SAGGER-type ATGM is apparently now being produced in China. Chinese sources also claim development of a vehicle-mounted system similar to the French MILAN, but we have not confirmed its production or deployment. The Chinese will likely deploy the man-portable SAGGER in limited quantities, while purchasing from foreign sources the smallest number possible of heavier, vehicle-mounted ATGMs of greater range than the SAGGER along with an agreement for technology acquisition or coproduction. We expect the Chinese also will experiment with ATGMs on helicopters. However, because all helicopters belong to the Air Force, numerous command and control problems stand in the way of effective armed helicopter support to the ground forces.

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17. ~~(S)~~ The Chinese also intend to acquire improved air defense systems. They already are developing a new low-altitude surface-to-air missile, the CSA-X-2, for use by both ground and naval forces. Limited deployment of this self-propelled system with ground force units probably will occur in the early 1980s. In addition, a man-portable SAM similar to the SA-7 for use against low-flying aircraft has been offered for export and could be issued to units in critical threat areas shortly. Deployment of these systems for use in conjunction with large numbers of anti-aircraft artillery will significantly enhance the tactical air defense capabilities of some ground force units.

18. ~~(S)~~ China's nuclear arms program includes plans to develop and deploy tactical nuclear missile units assigned to the ground forces. PLA leaders have said China is developing tactical nuclear weapons, and analysis of testing programs and of fissionable material production capabilities is consistent with their assertion.

The political leadership would retain direct control over these forces, which we believe are unlikely to be formed before the end of the decade.

19. ~~(S)~~ In addition to improvements in armor, antiarmor, and air defense, we project improvements in mobility, artillery, and munitions, and command and control. The concept of infantry mechanization has been under study in the PLA since the early 1970s; but China's armored personnel carrier (APC), under production since about 1967, has been used primarily for reconnaissance and tactical command. Only two mechanized regiments--probably experimental--exist in the PLA. China's military leadership in recent years has expressed concern over the limited tactical mobility of ground force units, and there are indications that test and evaluation of mechanization continues. This probably will lead to the additional incorporation of mechanized infantry into armored divisions, accompanied by a gradual conversion of selected infantry

TABLE 1
People's Liberation Army Ground Forces (U)
(Midyear Data)

	<u>1980</u>	<u>1990</u>
TOTAL DIVISIONS	271	279
Infantry	121	125
Armor	12	15
Mechanized	0	4
Airborne	3	4
Field Artillery	17	21
Air Defense Artillery	17	20
Antitank	4	4
Garrison	48	50
Border Defense/Internal Defense	35	25
Railway Engineer	14	11
INDEPENDENT REGIMENTS	311	311

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divisions in the north and northeast into mechanized units during the 1980s. The PLA should field an improved APC during the 1980s, along with the limited deployment of self-propelled medium field and antitank guns, antiaircraft artillery, and tactical surface-to-air missiles. These weapons will incorporate improvements in weapons targeting capability and munitions. These improvements will be accompanied by enhanced command and control procedures. Large and inflated political and administrative staffs are likely to be further reduced.

20. ~~(S)~~ Other enhancement measures are likely to include upgrading interior lines of communication, increased quantities of electronic warfare equipment, trucks and prime movers, chemical protection equipment, combat engineer equipment, and tactical communications equipment. Units in the northern and southern border regions will likely have a priority in the allocation of this equipment. Because these changes represent fundamental improvements in Chinese combat support and combat service support capabilities, China's ability to supply and sustain combat operations will gradually and substantially improve by the end of the decade.

21. ~~(S)~~ We project a continued emphasis on qualitative improvements to existing forces and forecast only a slight increase in the overall number of combat divisions. As new units are gradually created or existing units are expanded to fulfill evolving national defense requirements, attention will be given to organizational streamlining. The operational proficiency of combat units will improve with more intensive modern training and better equipment. China probably will continue to add tank regiments to main force infantry divisions and increase the amount of armor in the inventory; growth in the number of independent armored units will be gradual. The overall number of

regional force units is likely to decrease, particularly as the civilian public security organizations take greater responsibility for internal security. A comparison of total numbers of units by type for 1980 and 1990 is shown in Table 1.

AIR FORCES

22. ~~(S/NOFORN)~~ The People's Liberation Army air and naval air forces, with 5,700 operational combat aircraft, comprise the third largest air power in the world.* Despite this impressive number of aircraft, however, the operational capability of this force is very limited. Obsolescent air intercept (AI) radars, fire control systems, and weaponry make China's interceptors ineffective against a modern air force. Inadequate electronic countermeasures, slow aircraft speed, and rigid training patterns make the bomber force unable to penetrate heavy enemy defenses. Moreover, the organization, deployment, and training of the bomber force suggest that any missions they might have are limited. The tactical air forces lack a close air support capability in the Western sense, and would be only marginally capable of carrying out strike operations in any situation where air superiority was contested. China's transport aircraft are adequate for peacetime airlift requirements, but would require augmentation from China's civil air fleet in the event of war.

23. ~~(S)~~ Although a decided precedence was given to production rather than research and development, China worked throughout the 1970s to improve its aeronautical industrial infrastructure. The early years of the past decade saw China produce a large quantity of combat

* China's combat aircraft—bombers, fighters, and fighter-bombers—are assigned to both Air Force and Naval Air Force units.

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(U) A-5 FANTAN Production Line



(U) F-7/FISHBED

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aircraft based on obsolescent Soviet designs. That effort involved large numbers of people and technical resources. As a result, China was able to expand its industrial infrastructure and produce the first Chinese-designed combat aircraft, the A-5/FANTAN A. China also worked to improve turbojet engine design, to develop a military turbofan engine, and to design and develop a new high-altitude interceptor (the F-8), and, more recently, to broaden overall aeronautical knowledge and capability through reverse engineering the Boeing 707.

24. ~~187~~ China now recognizes that the efforts of the 1970s did not alleviate its air power problems and now is placing increased emphasis on research and development. Specifically, China's research and development effort, although impressive in a developing country beset by a host of political and economic woes, has failed to move far beyond incremental improvements to borrowed Soviet technology. Chinese avionics, weaponry, metallurgy, and engine technology have hardly progressed relative to that of the United States and the USSR. The most serious limitations of Chinese aircraft, from the standpoint of air defense effectiveness, concern AI radars, air-to-air missiles (AAMs,) and ground-controlled intercept-related radars and communications. The absence of AI radar on 90 percent of the interceptor force is a problem made more difficult by the nose inlet configuration of China's interceptors. With the possible exceptions of the F-7 and F-8, there is inadequate space available in the nose for installation of an AI radar capable of countering the Soviet threat. China's indigenously developed response to the interceptor problem, the F-8, is an improvement over the F-7 in both rate-of-climb and speed. However, the F-8 is also hobbled by the avionics and weaponry limitations of China's other interceptors. Recognition of these problems has prompted China's efforts to gain access to

Western radar, fire control, and jet engine technology.

25. ~~187~~ Efforts to expand China's technological base were varied. They included the 1975 purchase of production technology for the military version of the British SPEY engine, extensive "shopping trips" in the West, dispatching scientists abroad to study Western methods, and an across-the-board effort in the industrial and political spheres to obtain access to Western military technology. China's goal is access to technology at the lowest possible cost, in order to stimulate indigenous Chinese production of weapon systems. The overall thrust of this effort emphasizes long-term qualitative improvement rather than a "quick fix," but the PRC approach is flexible and includes the application of technological advances to existing Chinese weapon systems.

26. ~~(S/NOFORN)~~ Near-term actions to alleviate the air defense problem will include production of the F-8 and attempts to upgrade the combat capabilities of the 2,400-plane F-6 force. The number of F-8s produced will be determined by the degree of success achieved in China's campaign to acquire Western technology. Actions to upgrade China's strategic bombing capability will be minimal. Any bomber development will most likely be oriented toward the tactical mission. Chinese plans for the SPEY engine are still unknown, but it appears most likely that the engine will be used in either a multipurpose combat aircraft (MPA) or a medium-range bomber. We estimate that China's need for an aircraft capable of performing in both ground attack and counterair roles will result in a new multipurpose aircraft. Production runs for a MPA, powered by what is, in essence, 1960s technology, and the F-8 will each probably be limited to a high of 400 to 500 aircraft. China's association with the West in the 1980s will uncover the full range of technological

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opportunities for weapon system enhancement.

27. ~~(S/NOFORN)~~ Deficiencies in the F-8 relative to Soviet aviation present a clear need for a more effective interceptor aircraft. However, China lacks the technological skill or R&D base to develop such an aircraft unilaterally during the period of this estimate. The only avenue open is acquisition of Western technology. China needs a sponsor willing to release needed technology at an affordable price and willing to cooperate in the development of a modern production capability within China. Although China's prospects for such a sponsor do not immediately appear to be promising, an air superiority fighter (ASF) is posited as the aircraft which would result if China were to secure such a sponsor. Examples of technology transfer agreements which could result in an ASF include: US cooperation in Chinese production of a modern interceptor engine and selected avionics, or phased production of a complete European-designed aircraft.

28. ~~(S)~~ We expect China's leaders will be

willing to forego immediate increased air capability in the 1980s in the hope that fundamental developments in the economy and military industrial infrastructure will contribute to the promise of a competitive air force in the 1990s. As a result, we expect to see reductions in the numbers of aircraft produced compared with 1970's production and an acceptance of continued airpower inferiority throughout the decade. In this context, the most significant airpower event within China in the 1980s will not be in the field of new combat aircraft, but rather will be in the day-by-day expansion and sophistication of the total aeronautical industry infrastructure. Agreements for production of helicopters, possibly civilian transport aircraft, and the SPEY engine effort will highlight this development in the early 1980s. By the late 1980s, workers experienced in these programs will be joined by large numbers of research-oriented personnel returning from studies in the West, and together they will provide a solid base from which to launch a modern aircraft industry. A comparison of major selected aircraft for 1980 and 1990 is shown in Table 2.

TABLE 2
People's Liberation Army Air Forces (U)
(Midyear Data)

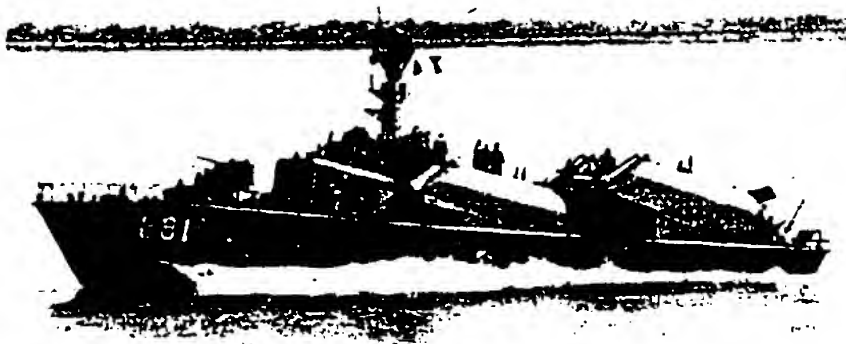
	1980	1990
MiG-15/FAGOT, F-5/FRESCO, F-6/FARMER	4350	3400
F-7/FISHBED	130	490
F-8	0	440
A-5/FANTAN	400	400
Multipurpose Aircraft	0	100
Air Superiority Fighter	0	70
B-5/BEAGLE	460	560
B-6/BADGER	105	120
Armed Helicopter	0	30

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(U) OSA Class Missile Patrol Boat with STYX-Type Launchers

NAVAL FORCES

29. ~~(S)~~ China's Navy, although impressive in numbers, is comprised mainly of small units best suited for coastal patrol operations. Combined tonnage ranks well below that of the major maritime powers. Perhaps most significant, the lack of modern antisubmarine warfare (ASW) and shipborne air defense systems seriously limits Chinese naval combat operations. As operating distances from shore increase, Chinese forces become more vulnerable to enemy surface, subsurface, and air attack. Outside the protective radius of land-based aircraft, Chinese naval combatants must rely on conventional naval guns for air defense, most without radar-directed fire control systems. Naval combatants carry only rudimentary ASW weaponry.

30. ~~(S)~~ The past decade has witnessed a major expansion of China's missile boat and submarine forces. Some 240 missile

boats, with a total of some 700 STYX-type cruise missile launchers, are now employed along the entire coastline in small squadrons of 6 to 8 boats each. These small missile boats, along with numerous torpedo boats, continue to provide the backbone of China's naval defense against seaborne invasion by providing an excellent close-in capability. A submarine force, which has grown to number some 100 diesel-powered attack boats, extends this defense forward, while a small number of strategically located land-based cruise missile sites and numerous batteries of shore guns serve as an additional backup should the Navy's at-sea defenses be breached.

31. ~~(S)~~ In recent years, the Chinese have also begun to take significant steps toward the development of oceangoing naval forces. New construction and R&D programs clearly reflect the growing importance of major surface combatants in Chinese naval thinking. In addition to the

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renewed emphasis on destroyer- and frigate-type construction, several large oceangoing support ships have been built. Several of the latter made an impressive showing, including underway replenishment of LUDA Class destroyers, while supporting the May 1980 ICBM tests to the South Pacific.

32. ~~(S)~~ In pursuing its naval force development plans in the coming decade, Beijing will likely initially concentrate on correcting the basic weaknesses that exist in such areas as air defense and command and control that currently limit naval operations. As with the other forces of the PLA, we expect the Chinese Navy to increasingly look to Western nations in an attempt to acquire the improved propulsion technology, as well as navigation, radar, and other electronic support systems. The introduction into the inventory of the Navy's first shipborne SAM, the CSA-X-2, within the next 2 years, is likely to be accompanied in following years with pursuit of an improved version incorporating newer technology. Currently only two JIANGDONG Class Frigates can accommodate the system; therefore a new construction program is required before the CSA-X-2 gains significant naval use. Efforts already underway to improve the ROMEO Class submarine will result in a modification or follow-on design by 1985. The priority of naval construction toward larger ships will increasingly focus on naval types more capable of providing the integral defenses needed for task group operations that Chinese naval forces will increasingly undertake.

33. ~~(S)~~ Thus, the greatest changes in the next decade will be those affecting surface combatants. LUDA Class destroyers

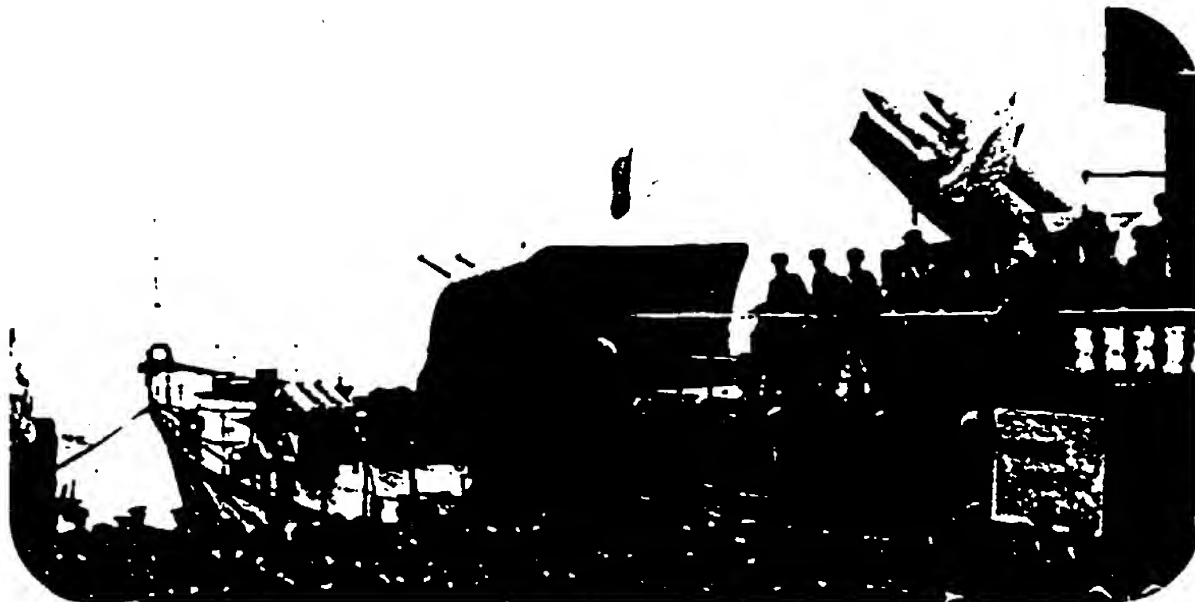
will likely remain in production for a few more years in order to enhance defense capabilities. Following successful deployment of the CSA-X-2 missile aboard JIANGDONG Class frigates, however, the Chinese will likely concentrate on a new type of ship. It will probably be equipped with both surface-to-air and surface-to-surface missiles as well as improved ASW systems. Such a ship would likely succeed the present LUDA Class destroyer as China's main surface combatant. Its deployment, in the mid-1980s, will represent a significant step toward providing the integral fleet defense necessary for deepwater naval operations.

34. ~~(S)~~ We expect the Chinese to replace the JIANGHU Class frigate later in the decade with a new class ship incorporating improved weapons and design features. Beijing has expressed some interest in buying gas turbine engines for combatants smaller than destroyer size. Such a ship, an outgrowth of both the JIANGHU and JIANGDONG programs, could readily serve as escorts for larger ships.

35. ~~(S)~~ We also expect to see limited production of additional nuclear-powered attack submarines. A second HAN Class nuclear-powered attack submarine was launched 7 years after the initial unit. The HAN undoubtedly served a major role in the development of a suitable propulsion system for the Chinese SSBN. We believe that the Chinese perceive a need for deploying attack submarines to the deeper waters beyond China's continental shelf and, consequently, they will produce additional units of either the HAN or a variant to meet this requirement. A comparison of major selected naval vessels for 1980 and 1990 is shown in Table 3.

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(U) CSA-X-2 SAM on JIANGDONG Frigate

TABLE 3

People's Liberation Army Naval Forces (U)

(Midyear Data)

	<u>1980</u>	<u>1990</u>
PRINCIPAL SURFACE COMBATANTS		
Destroyers (DD)	8	14
Guided Missile Destroyers (DDG)	0	9
Frigates (FF/FFG)	27	30
ATTACK SUBMARINES		
Diesel (SS)	100	120
Nuclear (SSN)	2	4
AMPHIBIOUS WARFARE LSM/LST	46	75
COASTAL PATROL MISSILE BOATS	240	300

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STRATEGIC MISSILES

36. ~~(S/NOFORN)~~



SPACE SYSTEMS

39. ~~(S)~~ China's space program remains in the developmental stage. Of 13 space launches attempted through January 1980, 8 have been successful. With the exception of the first two engineering test satellites, all of the successful space vehicles have been assessed as military reconnaissance systems in the early stages of development and testing.

40. ~~(S)~~ While China's intentions in space are becoming clearer, there still remains a degree of uncertainty. Among the military-related space programs, reconnaissance satellites have thus far received priority. Communication, meteorological, and navigational satellites will receive increasing emphasis. Other space programs such as earth resources, man-in-space, and scientific satellites will likely receive less emphasis through the period of the estimate. China is expected to expand its space program through technical exchanges with the West. The

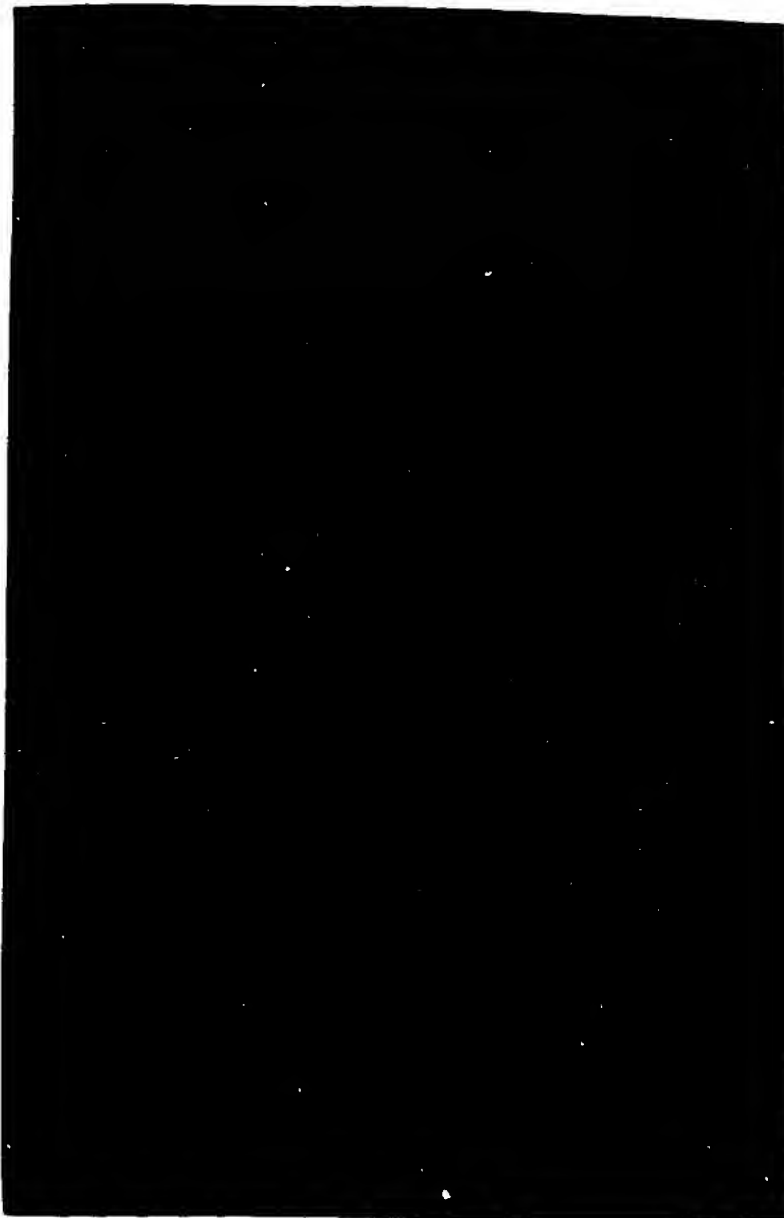
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removal of restrictions on the purchase of technical equipment will provide support for the Chinese space program. We forecast a launch rate of about six to eight satellites a year by 1990.

programs will be enhanced by the development of solar power cells for satellites and improved space launch boosters. China is also developing the capability to launch satellites into geostationary orbits.

41. ~~(S)~~ During the period of this estimate, we anticipate that China's space



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IMPLICATIONS

OPERATIONAL CAPABILITIES AGAINST THE SOVIET UNION

42. ~~(S)~~ Any discussion of China's military power must proceed from the knowledge that China's main adversary, the Soviet Union, will continue to hold a commanding position over China in all aspects of ground, air, and naval power. Nevertheless, the improvements we forecast for Chinese forces will enhance Beijing's ability to deter a Soviet invasion, project forces into South and Southeast Asia border regions, and raise foreign perceptions of Chinese military capabilities. China will, however, require a sustained military modernization program, continuing into the next century, before it can develop a modern, integrated military force. The 1980s will be a critical period during which China must develop the economic and industrial base to support this long-term effort and begin to work out fundamental solutions to basic military problem. Meanwhile, China will continue to rely heavily on political and psychological factors to supplement its limited military capability.

43. ~~(S)~~ On land, China will have a slightly improved defensive capability against a conventional invasion by the Soviet Union. This judgment is based on the assessment that China will have an improved capability to maneuver against an invading force and to contest an invasion from more forward positions. Improvements in China's armored forces, the deployment of ATGMs, the mechanization of several infantry divisions, and the improved ground support and air-defense capabilities of the air forces will give the Chinese greater defensive firepower and flexibility. Still, the level of technology embodied in new Chinese weapons will remain inferior to those of the Soviet Union. In

addition, it will take some time, probably not until the mid-1990s, for China to thoroughly absorb new technologies introduced in the 1980s and for it to develop appropriate strategic concepts, doctrine, and training for the effective employment of weapons based on these technologies.

44. ~~(S)~~ During the decade of the 1980s, the Chinese Air Force will add basic capabilities, such as AI radars and AAMs, and will greatly increase the present 100-to-200 hour time between major engine overhauls. These fundamental improvements will upgrade overall air force effectiveness and will produce, at best, a small net change in China's favor in the relative capabilities of the Chinese and Soviet air forces. For the most part, however, continuing Soviet developments can be expected to offset Chinese gains and there will be no significant change in China's continuing overall vulnerability to a Soviet air attack. Of greater long-term importance will be China's enhanced potential for development in the 1990s of a more sophisticated military aircraft industry.

45. ~~(S)~~ The introduction of surface-to-surface tactical nuclear missiles will provide the Chinese with more nuclear options. This would give the Chinese the capability to escalate a conflict to the tactical nuclear level. However, Chinese missiles will remain far inferior to Soviet systems, and China's capability to engage the Soviets in sustained tactical nuclear warfare will remain poor throughout the period of this estimate.

46. ~~(S)~~ At sea, the PLA naval forces will have an improved coastal-defense capability with increased, but still limited, ability to project naval power beyond the China seas. The Chinese should be able to

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defeat a Soviet amphibious attack, but the Soviet Navy will continue to predominate at sea.

47. ~~(S)~~ The deployment of nuclear submarines equipped with ballistic missiles will enhance China's nuclear deterrent. The proliferation of nuclear delivery systems on both land and sea will generally improve the survivability of China's nuclear forces and increase China's ability to damage any nation launching a nuclear attack on China. This capability will be modest for the remainder of the decade.

OPERATIONAL CAPABILITIES AGAINST PERIPHERAL NATIONS

48. ~~(S)~~ The improvements that we project for the PLA during the 1980s will not significantly alter China's ability to extend its influence in the region through the use of military force alone. China's ability to conduct large-scale out-of-country operations in noncontiguous areas will remain severely restricted by insufficient tactical and strategic mobility, logistical deficiencies, and equipment weaknesses. Conventional PLA forces will pose no serious threat to Japan or India. China will possess moderately improved capabilities for an invasion of Taiwan and will slightly increase its capability to move major forces into the Korean Peninsula, Vietnam, or Laos.

49. ~~(S)~~ Projected Chinese conventional-force developments will have their greatest impact on Vietnam and Laos. Assuming no significant increase in the current level of Soviet military assistance to Hanoi, Chinese units will likely be able to inflict greater damage on Vietnam by the mid-to-late 1980s. This capability enhancement would be brought about by significant additions in ground force equipment (armor, artillery, transport); improved tactics, training, and unit readiness conditions; improvements in the

structure and management of China's logistical system; as well as improvements in air combat and close-air support capabilities. The Chinese, therefore, will likely possess greater flexibility in the selection and implementation of a range of military options against Vietnam.

50. ~~(S)~~ Improvements in the naval forces will significantly enhance China's ability to use its naval forces as an instrument of Chinese policy toward Southeast Asia. The projected conduct of naval port calls on a selective basis in the region will serve as an important symbolic element of China's strategy to counter Vietnamese and Soviet influence. Deployment of task force groups in the South China Sea will permit Beijing to counter any Vietnamese naval actions designed to embarrass Beijing. It also will signal that Soviet naval presence in the region will not go unchallenged although China's capability against Soviet forces in open ocean areas will remain markedly inferior. China's ability to seize and hold portions of the Spratly Islands will improve somewhat, and Beijing may be tempted to exercise that capability.

51. ~~(S)~~ These developments are likely to produce mixed results. They will likely serve to constrain further Vietnamese aggression and challenge the expansion of Soviet influence in Southeast Asia. To the extent Beijing achieves this, its prestige and influence will continue to rise both regionally and internationally. On the other hand, China's limited improvement to its military capability during the 1980s is unlikely to prevent increased Soviet military involvement in Asia and it will remain incapable of defeating Soviet forces outside of Chinese territory. The improvements will also cause concern in some Southeast Asian nations over the prospect of a China better prepared to take aggressive military action in pursuit of its Asian goals.

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CHINA'S RELATIONS WITH THE WEST

52. ~~487~~ During the 1980s, China's ability to influence global interactions will continue to be based largely on political and psychological factors and on its perceived military potential. The potential for China to serve as a "second front" in the event of a major conventional conflict between the USSR and the West and China's growing nuclear capability will insure continued interest by each superpower in Beijing's policy toward the other. Nevertheless, we believe the most likely Chinese reaction to US-USSR military confrontation would be to remain neutral, at least until its own natural interests compelled it to action. Through careful management of these relationships, Beijing will seek to minimize the risk of Soviet attack while securing Western and Japanese assistance for its comprehensive

modernization program. Because China's relative military power by the end of the decade will not be drastically changed from what it is today, Chinese leaders probably will believe the need for close ties with the West will be just as great, if not greater, than at the present.

53. ~~487~~ China's achievement of a global missile capability--although remaining far inferior to that of the superpowers--will likely elicit increased attention to Beijing's views on strategic issues and will enhance the level of China's nuclear deterrence. The United States, the USSR, and the major Western powers will be under greater and greater pressure to treat China as an "equal," even though its actual nuclear capabilities will be relatively moderate; China will be a nuclear power capable of inflicting damage on the United States and Soviet Union.

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